

**ARIZONA STATE PARKS BOARD
PEORIA COUNCIL CHAMBERS
8401 W. MONROE ST., PEORIA, AZ.
SEPTEMBER 11, 2009
MINUTES**

Board Members Present:

Reese Woodling, Chairman
Tracey Westerhausen, Vice Chairwoman
Arlan Colton
Walter Armer
Maria Baier (arrived at 10:22)

Board Members Absent:

William Scalzo
Larry Landry

Staff Members Present:

Renee Bahl, Executive Director
Jay Ziemann, Assistant Director, Partnerships and External Affairs
Jay Ream, Assistant Director, Parks
Debi Busser, Executive Secretary
Doris Pulsifer, Chief of Grants
Ruth Schulman, Administrative Assistant III, Grants
Janet Hawks, Chief, Parks
Ellen Bilbrey, PIO

Attorney General's Office:

Laurie Hachtel, Assistant Attorney General
Monique Cody

A. CALL TO ORDER - ROLL CALL – 10:00 A.M.

Chairman Woodling called the meeting to Order at 10:15 a.m. Roll Call indicated that a quorum was present.

Chairman Woodling noted that today is a very special day in the history of our country. 9/11 certainly brings a lot of memories to the people assembled in this room. Today is also the official first time it is observed as both memorial day for 9/11 and a national service day. Everyone in this room, including this Board, is serving some organization or as volunteers serving Arizona State Parks (ASP). He congratulated everyone for being volunteers, for serving their country, their city, their state, and their county. He noted that the Board members are volunteers who don't get paid but care about this organization – ASP.

Chairman Woodling then called for a moment of silence to reflect on what this day means to those assembled.

B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

1. **Board Statement** – As Board members we are gathered today to be the stewards and voice of Arizona State Parks and its Mission Statement to manage

and conserve Arizona's natural, cultural, and recreational resources for the benefit of the people both in our parks and through our partners."

ASP Board members and staff introduced themselves.

Mr. Colton read the Board Statement.

C. EXECUTIVE SESSION - Upon a public majority vote, the Board may hold an Executive Session, which is not open to the public for the following purposes:

- 1. To discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03.A.3.**
 - a. Vertes/Mead Property, Spur Cross Conservation Area, Maricopa County Parks, easement litigation**

Chairman Woodling stated that the Executive Session would be moved to later this afternoon in order to hear from the public and act on Board Action Items.

D. CALL TO THE PUBLIC

Chairman Woodling stated that each speaker would be limited to five minutes or less in their comments to the Board. He added that the Board would hear from one representative from each organization. He invited Ms. Carol Cullen to the podium.

Ms. Carol Cullen, Executive Director of the Tubac Chamber of Commerce addressed the Board regarding Agenda Item G.6. She thanked the Board for all the work they've been putting into this effort to keep their park going and sustaining it from at least February when it didn't appear that this park would stay open. It is open five days a week and they are very pleased that the Board has been able to do that for them. She also wanted to let the Board know that the community of Tubac has come together and are working very hard with the Board's staff to make sure that their annual Anza Days celebration moves forward. The community is looking at their resources and into their resources to see what they can bring to the table to help facilitate this event.

Chairman Woodling thanked Ms. Cullen for her comments.

Chairman Woodling then invited Captain William Porter, representing Legends 9th U.S. Memorial Calvary, to the podium.

Captain Porter thanked the Board. He noted that he served in the military. He thanked everyone who is serving here. He noted that the Legends do not serve at Ft. Verde. He personally has been there many times. He also serves as Military Director at Papago Park. He invited the Board to drop in and visit them. They are one of the smallest, but finest, military museums anywhere.

Captain Porter stated that the point is that one has to get into the buildings at Ft. Verde. People can hike and see ruins; they can go to Ft. Lowell and see ruins; they can go to Prescott and to Ft. Huachuca (modern forts). Only at Ft. Verde can people go into the buildings. Only at Ft. Verde can people sit on the porch and see, as General Crooke did, at the end of the Apache war. Captain Porter noted that he recently received a call to speak in Mesa. A group is coming in for a military reunion and wanted to look at Ft. Verde. They are not going to do that through look-in windows. They are not going to get the feeling they need if they have to look through a window. He asked the Board to please find a way to keep the buildings open. They did a national and state video. This

is one of the few living history museums in the U.S. His Civil War friends and others all came to Ft. Verde. It all promoted Arizona.

Captain Porter noted that, additionally, the Verde Valley's economy could also use that increased revenue.

Captain Porter added that he's seen, as a teacher, the way children react when they see and go into those buildings that cannot be replaced. Ft. Verde has stood against time, the attacks from the Apache, and the abandonment of the U.S. military. It is too tough to die. He reiterated that those buildings must remain open. He, as an ex-teacher, thanked the Board.

Chairman Woodling thanked Captain Porter for his remarks. He then invited Mr. Jeff Gursh, Arizona Off-Highway Vehicle Coalition, to the podium.

Mr. Gursh stated that he had two different items on the Agenda he was going to comment to. The first is on the RTP (Recreational Trail Program [motorized portion]). They received an E-mail that there were some cuts being made by the federal government on the funding. They appreciate how the Board worked out the scoring system and the possibility for them to have the opportunity to get the money from the grant. The grants are really the only way the public sees anything being accomplished. These are all "sticks and bricks" types of projects. That's what the public sees on the trails. They are really important to keep funded. He appreciates how ASP is working with the federal government on them.

Mr. Gursh stated that the second item he wished to address is on the Trails 2010. He noted that the public comments on where funding should go for the next cycle of the program says that the public put signage as a very low priority. The problem is that the Board has done such a good job that the public doesn't see it as being needed or as a necessity. However, in the next two years, the agencies will have their trails designated and will need an inordinate amount of trails signage. He would like to see the Board score signage higher, based on what the agencies will need and not just what the public recommended.

Mr. Gursh added that the last item he wanted to comment on is the cuts the Board will have to make for its operating costs. He knows the Board will have to cut personnel. He stated that they would beg the Board to keep their Off-Highway Vehicle staff and the Off-Highway Vehicle Ambassador program funded. We've lived through cuts in funding in grants before; but, again, the Board's personnel are the important part and we can't replace them. Years of training have gone into this type staffing. The OHV Ambassador program is very important. He, personally, and another Ambassador never thought they would have to use the training on themselves. His riding partner had a heart attack several weekends ago while they were out riding. The only reason that man is here today is because of the training they got through the Ambassador program. He begged the Board to find some way to keep that Ambassador program going.

Chairman Woodling thanked Mr. Gursh for his comments. He noted that the Board will address the grants relating to the federal government funding. Regarding the comments relating to signage, the Board will vote later today on the 2010 plan. Personnel is a confidential matter and the Board cannot discuss that in public.

Chairman Woodling invited Mr. Tom Hayes, Benefactors of Red Rock State Park, to address the Board.

Mr. Hayes noted that he has addressed the Board on a number of times in the past. In representing the Benefactors of Red Rock State Park, he wants the Board to know that they are equally concerned with the plan for all of the parks and hate to see the proposed reductions sitting in front of them. From Red Rock's perspective, he wanted to make sure that the Board is aware that since the park is set up primarily as an environmental education center, just being open for people to walk in doesn't really fulfil the mission there. They have been trying to expand their educational programs, particularly their school programs. As the Board considers cuts, he wants to ensure that they are aware that off-season there isn't quite the same as off-seasons at other parks. The school season is their primary season. Fall and spring are when they entertain most of the more than 2,000 school children who come and get curriculum from the environmental education program. They would like to ensure that those seasons are preserved.

Mr. Hayes added that he knows that considerations with respect to staff are very difficult. Being open may not preserve the school program unless the resource is there to carry it out. Even though there are volunteers, the staff are essential to provide that service.

Mr. Hayes noted that he sees a lot of creative work being done to raise additional revenue sources. He shared his experience of when he was an executive in private industry and faced budget crises. Finding ways to tighten belts and reduces expenses is one thing, but finding ways to increase the revenue side of the equation has always been more productive. One staff person lost may save money for a 12-month budget period but cause a disaster in the organization in the future while trying to backfill that position. He doesn't know what the options are coming out of the governor's task force. Looking from a local group, it's hard to generate something that might help generate revenues. It could be fee increases, corporate sponsorships, citizen initiatives for the ballot, or something else. The Board may be able to coalesce some of the public groups – small public groups like theirs – to find some other revenue sources. Just fighting a year-to-year battle looking for \$1M here and there will not solve the problem. The agency really needs a sustainable funding source. Hopefully the answer will come from the governor's sustainable task force. They are willing to help. There may be a need for focused leadership to help them move forward. He thanked the Board for listening.

Chairman Woodling thanked Mr. Hayes for his comments.

Mr. Colton asked Mr. Hayes asked if the environmental education program at Red Rock is a Monday to Friday operation or several days a week.

Mr. Hayes responded that the education program spans a number of arenas. The school program is Monday through Friday. It runs through the 6th grade curriculum and has accredited models that meet the state education curriculum modules and, depending on the year, has 2,000 students in class sizes (30ish) primarily September through November and then again March through May. The rest of the environmental education program includes programs that they fund such as speaker fees for Sunday programs. There are hikes at the park that are geared at interpretive nature hikes. They

have birding hikes several times per week. While they have programs beyond school programs, they are particularly interested in the school programs because of the resources and the days of the week that schools would come are obviously during the school year – fall and spring – Monday through Friday.

Chairman Woodling noted that schools throughout the state are hurting for money. He asked if there's a decline in the number of school groups that are coming because of busing problems, etc.

Mr. Hayes responded that, right now, the uncertainty of park openings affect it more. A lot of these schools have been set up to be ongoing and come to the park year after year. Schools have already signed up to come. The Benefactors have told schools who have financial difficulty coming to the park that they can apply to them for transportation grants that may be able to help them get the children to the park. He added that he appreciates the efforts the Board has put in.

Chairman Woodling invited Ms. Eileen Gannon, representing Riordan Mansion, to address the Board.

Ms. Gannon stated that she is a descendant of the Riordan Family, former owners of the Riordan Mansion State Park. She noted that they were joking earlier that her grandmother would die over the use of the word "mansion". She stated that the family was very grateful and supportive for the work and care that the Board has shown all of the parks. She understand that it's a tough year for the Board and trusts that they will do their best to make the decisions to protect the assets of all the parks for the people of Arizona and visitors now and in the future.

Chairman Woodling thanked Ms. Gannon for her comments. He invited Ms. Marilyn Ruggles, Riordan Action Network, to the podium.

Ms. Ruggles stated that the Riordan Action Network began with just their volunteers getting together in February and now have NAU professors in their group and have expanded to more than 50 members who are getting the word out. When she says "network", she means network. They have gotten the message out for people to please call their legislators and let the governor know what's going on. They began that work in February.

Ms. Ruggles added that she is a docent at Riordan Mansion State Historic Park as well as a member of the Riordan Action Network. She noted that the park is not a lemon. She asked that everyone put in perspective what we're here for today. Everyone knows there's no fat to trim from the ASP Board. The parks and the Phoenix office are as lean as they can go. The Board's unenviable task now is to cut the muscle – and that's staff. In doing that, they will probably have to cut to the bone. She was pleased to see in Action Item #6 that staff are looking at each park individually. It suggests to her that each park is being considered that way. There isn't any formula for what the Board has to do. Each park has a different mission. Each has different visitors. Each has different needs. Each has a different contribution to the parks system. She asked that the Board consider all those issues when they make their tough decisions – not through revenue and not through number of visitors. Historic parks have already been hit hard because of number of visitors and revenue. She agrees with the gentleman from Red Rock who stated that revenue resources is where we need to go. More cutting won't do it.

Ms. Ruggles added that the Board needs to take a look at the proposals for each park and reduction of days and when. October through December are big for Riordan Mansion State Historic Park. There are a lot of Halloween tours, Christmas tours, a Christmas party for the children. She doesn't see that changing the park hours from October to December to five days a week is the best solution. She noted that school tours begin next week. They will have to let two schools know that the park will be closed Tuesdays and Wednesdays.

Ms. Ruggles thanked the Board for all they do and for their dedication to the state parks system. Their job is not getting any easier.

Chairman Woodling thanked Ms. Ruggles for her comments. He invited Mr. Michael Scannell, Town of Camp Verde, to the podium to address Agenda Item G-6.

Mr. Scannell thanked the Board for the opportunity to address them this morning. He noted that he serves as the Town Manager for the Town of Camp Verde. He stated he is present today for the purpose of representing the Town Council's interest, and by extension the interests of the larger community. He came to address the Agenda Item G-6. They learned just the other day that Ft. Verde was being considered for adjustments to its schedule and closure of its buildings. That issue was taken up by the Town Council on Wednesday evening and the Town Council acted on an Agenda item he prepared for them offering up entering into a short-term, stop-gap funding agreement with ASP in order to ensure the ongoing operational status of the park through December 31. The second element of the plan was to develop a longer-term strategy to ensure the ongoing operational status, as Captain Porter so eloquently described as a living history museum. It is a tremendous treasure to the area of Camp Verde. They are prepared to assist in terms of helping to fund the park's operations in short and look forward to developing a long-term agreement with the Board. They request that the Board and their colleagues to consider the offerings of the Town of Camp Verde. He believes that the Board's staff have forwarded the elements of that plan to them. He believes it's a good plan. They look forward to a partnership with the Board and believing that preserving this living history museum is fitting and proper. He respectfully requested the Board's support. He stated that it has been a pleasure working with the Board's staff. He thanked the Chairman for allowing him to come to this meeting and to address the Board. He stated that he would remain at the meeting until the Board took up Agenda Item G.6. in case the Board had any questions for him.

Chairman Woodling thanked Mr. Scannell for coming and noted that Agenda Item G.6 probably would not be discussed until after lunch. He noted that what Mr. Scannell brings to the table – working together in a partnership – is very important. The Board appreciates all the help they can get in terms of partnerships.

Board member and Land Commissioner Ms. Maria Baier joined the meeting during testimony and introduced herself to the public.

Chairman Woodling invited Ms. Cindy Krupicka, Friends of Oracle State Park, to the podium.

Ms. Krupicka thanked the Board for allowing her to address them. She stated that she is the president of the friends group at Oracle State Park. She stated that the Friends of Oracle were disappointed to learn that their park was recommended for closure to the

public, only to be open for Special Events and educational programs. They are concerned with how this would work. They recommend that the Board keep the park open on weekends and keep the existing Ranger living and working on the park in some part-time capacity. By doing that, that Board will keep the consistency of the visitors and let them know that their \$50 park passes will be honored. It would also ensure the safety and upkeep of the park by monitoring of the Kannally Ranch House, trails, waterholes, etc.

Ms. Krupicka stated they have also heard that ASP is cutting the Interpretive Education Coordinators. She asked where the resources will come from. She asked if the Board really want these programs to disappear. She would think the Board could spare one ranger a weekend and a couple hours a week to ensure such important programs continue. The Friends of Oracle do not want to lose their momentum. They have worked hard to raise money to ensure that they can continue to educate children and adults about our environment and how to use the environment around us. The Friends have helped to increase the park's attendance by 17% and 71% in revenues. They acquired a permit from ADOT and paid \$2,400 to have two signs put up on Highway 77 last month. They have been trying to get signs in place for 10 years.

Ms. Krupicka stated that they do not accept the total closure of their park and hope they can convince the Board to keep some consistency. She thanked the Board for listening. She is confident that the Board will find a way, or work with them, to make this work.

Chairman Woodling thanked Ms. Krupicka for her comments. He noted that the Board are not enjoying what they have to do today. However, the Board have to look at their budget and where they are.

Chairman Woodling invited Mr. Edward Van Ness, Arizona Civil War Council, to the podium.

Mr. Van Ness stated that his group has been in existence, incorporated as a non-profit educational group, since 1984. They have done reenactments at several parks in the system. They work with Picacho Peak State Park and did a reenactment there last year. They love the history of Arizona so much that they move the venue to different locations so they can educate the public. He represents Dead Horse Ranch State Park because their organization started reenactments there that coincide with Verde Days. Dead Horse Ranch is one of the fortunate parks that generates revenue. He also represents Ft. Verde State Park because they are an educational program group. They believe that they are living textbooks. They bring history to life. They portray history as the way the area was. They do Civil War, Indian Wars, Revolutionary War, World War II, and Spanish American War. There is a lot of history from the State of Arizona. There are buildings at Ft. Verde that are original. They are a virtual open house/open textbook that people can walk into and visualize what history is all about. His group goes there several times a year. The History of the Soldier is a fantastic event. He understands that events cost money. The public pour into that park for that event – it's probably one of the biggest the park has. He asked where else people can go and actually visualize history. He is sure there are many other parks that have history. He understands that the Board has a tough job to do. He is on the Board of Directors of his organization and they don't have a lot of money coming in. They are self-supporting. They spend hundreds of thousands of dollars on their uniforms. His passion is history.

If we forget history we will doom ourselves to repeat it. People can come into Ft. Verde and touch a relic; they can walk through a historic building and see the history that we have in this great State of Arizona. He stated that the Board must weigh the monetary value.

Mr. Van Ness noted that the Board has a very tough job ahead of them. His group will continue doing what they do because they love history and educating people. He believes that the Board have a much tougher job than anyone in the audience. He asked the Board to consider the passion they can give the people of the state and the visitors who come over from France and Germany who can go in and see a part of the history of Ft. Verde. We can count on volunteers and we can call on other people to bring in revenue. The Town of Camp Verde stands behind the park. They are willing to donate hard-earned money that they probably don't have. He asked the Board to look at all the assets they have and think about what their job really entails. If the Board is going to have staff there to maintain the buildings, why not have them open? Why not let people go into them. Will it really cost the Board any more?

Chairman Woodling thanked Mr. Van Ness for his comments. He invited Mr. Charles Flynn, City of Yuma, to the podium.

Mr. Flynn stated he is the Executive Director of the Yuma Crossing National Heritage Area and is here representing the City of Yuma. He introduced the Chairman of the Board, Jerry Monk. He stated he wanted to talk briefly about the history of their partnership with the Board. While some of the Board are familiar with it, he believes that reviewing it is important to the future.

Mr. Flynn stated that for the last 12 years Yuma has contributed significantly to the partnership for creating and running the Quartermaster Depot. They know that attendance has not been strong. He wanted to share what the vision was 12 years ago and how close they are to getting there. Yuma was committed to redeveloping and revitalizing its riverfront. The Board has two state parks that are bookends within that development. The idea was to infuse the central area with commercial development. While they were successful in amassing the land, and ASP was critical in their support of that, they opened a \$32M hotel and conference center this spring directly adjacent to the Quartermaster Depot. Just as it was opening, they began to hear rumors about the Quartermaster Depot closing. That would be a disaster for their entire Riverfront development. That is really why the community was able to form an action so quickly.

Mr. Flynn noted that there was a vote in May to continue Yuma's hospitality tax, a portion of which goes directly to the Riverfront. They committed to keeping the park open, and, frankly, they committed to making it a free-admission park if it went through. It passed with 68% of the vote. He thanked the Board's staff. They have been very supportive in working through a lot of issues very quickly to be able to move forward.

Mr. Flynn stated that he wanted to discuss a couple of things. There is a considerable amount of maintenance that needs to be done to the Quartermaster Depot. Roofing needs to be done. The Board has several of the most important adobes that remain in Southern Arizona. They are committed in this project to properly manage those projects and they believe they can work with the Board to get those projects done.

Mr. Flynn stated that they are also committed to looking for grants and to enhance the park going forward. Regarding the partnership, the City will provide a certain amount of funding. The Heritage Area, which is a federally-funded program, has committed to meet many gaps in funding beyond what the City can afford. Additionally, the Visitors Bureau will move into the facility and become their visitor contact station. They believe that's a very good partnership. It will bring 40,000 people directly into the park.

Mr. Flynn added that they want to expand their partnership with the Board. Their vision is that they will work to enhance both state parks. They believe that the Territorial Prison could be the most-visited park. If one goes into the museum, it's vintage 1960. About \$800,000 needs to be raised for that park and they are committed to helping the Board raise that money by grants and heritage money to bring that park up to speed. They believe that those state parks together with the commercial development will complement their Riverfront project. It could really make Yuma first-class. They look forward to working with the Board.

Chairman Woodling thanked Mr. Flynn for his comments

Ms. Westerhausen noted that Mr. Flynn was able to get the citizens of the City of Yuma to support quality of life acts. There are additional groups who are exploring those issues on a statewide basis. She expressed her hope that those groups have as much success as Yuma has had.

E. CONSENT AGENDA

- 1. Approve Minutes of August 3, 2009 State Parks Board Meeting**
- 2. Approve Minutes of Executive Session of August 3, 2009 State Parks Board Meeting**

Mr. Colton made a motion to approve the Consent Agenda. Ms. Westerhausen seconded the motion and the motion carried unanimously.

F. DIRECTOR'S REPORT

Ms. Bahl reported that there is a PBS special coming up from the National Parks, "America's Best Idea," that begins September 27 and runs for a week to October 2. She encouraged everyone to watch. She hopes that it will generate additional excitement and wonder about all of our parks – not just the national parks.

Ms. Bahl noted that there are a number of special events that the parks host. She stated that staff will continue do their best to host as many special events as possible, especially the annual events that have been held at the parks. A couple events are coming up in the next couple of months. All of them are on our website for anyone to see. Slide Rock is holding an Apple Festival on Sept. 19-20; Dead Horse Ranch will host the Verde River Days on Sept. 26-27; Ft. Verde will host the Ft. Verde Days Oct. 10-11; Tubac will host the Anza Days thanks to the community's commitment to help with funding for that event; and Kartchner Caverns State Park will celebrate its 10th anniversary on November 7-8. This event is open to the public, and staff will provide more information to the Board. She encouraged everyone to attend this event.

Ms. Bahl added that an event held a few months back with a campaign with Sprouts raised some money that staff will be requesting to assist in keeping things going.

G. BOARD ACTION ITEMS

1. Summary of Staff Funding Recommendations for Competitive Grant Programs

Mr. Ziemann reported that Ms. Pulsifer would walk the Board through the two grants items. He noted that there is new information in the Board members' folder that contains new information regarding the RTP grants. He asked that the Board refer to those pages during Ms. Pulsifer's report.

Ms. Pulsifer reported that, while not all of her staff was present, she wanted to publicly acknowledge their hard work, especially through these difficult times. She wants them to know they are appreciated and acknowledged.

Ms. Pulsifer stated that she would be presenting recommendations for two programs. She referred to the Summary of Staff Funding Recommendations. She noted that the recommendations are for the two programs – RTP (federally funded) Program and the Growing Smarter Program. Both Advisory Committees (OHVAG and CAB) have concurred with staffs' recommendations.

a. Consider Funding the FY 2009 Recreational Trails Program (Motorized Portion) Grant Applications

Ms. Pulsifer reported that when staff first prepared this report for the Board, they knew \$650,000 was available to the RTP program. However, a couple of weeks ago staff received, from the U.S. Dept. of Transportation, Federal Highway Administration a Notice of a rescission of unobligated money as of September 30. Unfortunately, staff don't know the full impact of that rescission. Staff do know that it will be in the range of \$384,000 to \$422,000. Therefore, staff have made revisions to the Staff Recommendation.

Ms. Pulsifer reported that staff received three applications for the RTP grant program. All three applications are eligible; all three applications scored 80 points or above which makes them high priority. The problem is not a problem of rating; it's a problem of the amount of money available to fund all three.

Ms. Pulsifer stated that, initially, there was enough money to fund all three applications. Because of the rescission (we don't know how much that will be), staff do know there is enough money to fund the top two applications at this time. Those applications are the two BLM projects. Both of those projects are shovel-ready to go. Staff funding those two projects at this point.

Ms. Pulsifer noted that the Town of Eager was also eligible. They are not quite shovel-ready so staff are recommending that, after we know what's available, we would like to come back to the Board in November and present the Town of Eager recommendation to the Board.

Ms. Pulsifer stated that the staff recommendation is that the Board fund the two BLM projects totaling \$245,260.

Ms. Westerhausen stated her understanding is that the Town of Eager would be cut out entirely with the hope there would be money available for them in November. She asked if staff know that there will be money available to them in November.

Ms. Pulsifer responded that staff know that there will be some money available in November. There is a project that was awarded in the previous year that may be withdrawing that will release some money. Staff are confident, at this point, that there will be money available to award money to the Town of Eager.

Ms. Westerhausen suggested that reducing the other two award proportionately might be appropriate.

Ms. Pulsifer responded that, because the other two projects are shovel-ready, we need to make this money available to them. Additionally, when these grants are considered they are considered on their rating. In being consistent with other projects, staff will always award by the rating and then as the money is available.

Board Action

Mr. Colton: I move that the motorized portion of the Recreational Trails Program be approved for the two highest scoring applications at \$245,260, pending completion of the Section 106 requirements and obtaining National Environment Policy Act (NEPA) concurrence from the Federal Highway Administration, and that the Executive Director or designee be authorized to execute the participant agreements.

Mr. Armer seconded the motion. The motion carried unanimously.

b. Consider Funding FY 2009 Growing Smarter State Trust Land Acquisition Fund Grant Applications

Mr. Colton noted that there are three applicants for the Growing Smarter Fund grant applications, one of which is Pima County. He would like to stay for the other two applications, but would need to recuse himself on the Pima County request. He requested that the Board separate Pima from the other two so that he could participate in discussion and vote.

Ms. Pulsifer reported that staff received three applications for the Growing Smarter Grant Program. The first is from the City of Phoenix for the purchase of 294.5 acres of the Phoenix Sonoran Preserve. The second is from the City of Scottsdale for the purchase of 398.91 acres of the McDowell Sonoran Preserve. The third is from Pima County for the purchase of 67.17 acres of the Valencia Archaeological Site. The total of these three projects are \$8.5M. On top of that, they are eligible for 10% for certain costs increasing the total to a little over \$9M. They are eligible for 50% of the appraised value. All three projects have been appraised. Staff's recommendation is, and CAB's concurrence, it to fund all three projects.

Chairman Woodling noted that the staff recommendation includes all three projects. He noted that Mr. Colton is from Pima County and is involved in the Pima County project. He requested a motion that eliminates Pima County and then a second motion that is only for the Pima County project.

Board Action

Mr. Armer: I move to approve funding for the following two projects: \$4,780,000 to the City of Phoenix for the purchase of approximately 294.5 acres of the Phoenix Sonoran Preserve – Priority 2C, and \$3,230,000 to the City of Scottsdale for the purchase of 398.91 acres of the McDowell Sonoran Preserve. The final grant amounts will be based on the Arizona State Land Department's (ASLD) final appraisal value of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. Approval of the awards is contingent upon the appraised land value being finalized before December 31, 2009, and that the Executive Director or her designee be authorized to execute the participant agreements.

Ms. Baier seconded the motion. The motion carried unanimously.

Mr. Colton recused himself from the room at this time.

Board Action

Ms. Westerhausen: I move to approve funding for the project of \$470,000 to Pima County for the purchase of 67.17 acres of the Valencia Archaeological Site. The final grant amount will be based on the Arizona State Land Department's (ASLD) final appraisal value of the parcel, agreed upon by the applicant, plus no more than 10% for eligible associated costs. Approval of the awards is contingent upon the appraised land value being finalized before December 31, 2009, and that the Executive Director or her designee be authorized to execute the participant agreement.

Mr. Armer seconded the motion. The motion carried unanimously with Messrs. Scalzo, Landry, and Colton being absent from the room. A quorum was maintained.

Ms. Bahl requested that, since there was five minutes remaining before the 11:30 a.m. time certain Agenda item, the Board move to Agenda Item G.3.

3. Consider Delegation of Board Investment Authorities to the Arizona State Parks Executive Director

Ms. Bahl reported that staff will continue to work to find ways to maximize our revenue. There is an opportunity that can be pursued is investing the Board's money that are known to be in a long-term situation into higher-term funds. The Deputy Treasurer is present to answer any questions the Board may have. Staff are requesting that the Board give the Executive Director the authority to work with the Treasurer's Office. In particular, she would argue that the fund that should be looked at is the Land Conservation Fund. It has a very high balance approaching \$100M and staff have a pretty good idea ahead of time of the amounts of moneys staff will recommend awarding to some applicants. She stated that staff request that the Board delegate to the Executive Director the authority to determine, in conjunction with the Treasurer's Office, the statutorily eligible and available investments from the Treasurer's Office that suit the goals of safety of principal while achieving the highest prudent yield for all ASP statutorily administered funds.

Board Action

Mr. Colton: I move that the Board delegate to the Executive Director the authority to determine, in conjunction with the Treasurer's Office, the statutorily eligible and available investments from the Treasurer's Office that suit the goals of safety of

principal while achieving the highest prudent yield for all ASP statutorily administered funds.

Ms. Baier seconded the motion.

Mr. Armer noted that another entity he is associated with had about \$800,000. They have gone to some medium-term (5-10 years) corporate bonds that are coming in at anywhere between 5%-6%, which is almost spectacular in these days. With the assistance or concurrence from the Treasurer's Office, he would suggest that the Board look at some of these alternative options rather than the safe and secure money markets that bring in 1%-2% interest.

Chairman Woodling noted that he is also a member of the Cattle Growers Foundation Board. They have picked up some very good yielding corporate bonds. Because they are non-profit, they don't have to pay taxes on that money.

Chairman Woodling called for a vote on the motion on the floor. The motion carried unanimously.

Chairman Woodling then moved to Agenda Item H.

H. REPORTS AND PRESENTATIONS

1. Presentation by the Hopi Tribe – Time Certain: 11:30

Mr. Dale Siquah, member of the Hopi Tribal Council, introduced himself to the Board and thanked them for allowing him to come to this meeting and provide their presentation (a copy of which is included at the end of these Minutes). He stated, in closing, that the Hopi Tribe and the Hopi Land Team look forward to working with the Arizona State Parks Board to make Homolovi Ruins State Park a jewel of Northern Arizona.

Chairman Woodling thanked Mr. Siquah for his presentation. He noted that ancestral grounds are important for all cultures. The Board appreciates the Hopi's concerns.

Ms. Westerhausen noted that during her short time on the Board she has not seen a request such as this presented to them. She doesn't know how ASP responds to this type of request.

Ms. Bahl responded that this request is unusual. It is not often that the Board is requested to sell off ASP land. At a minimum, if the Board decided they wanted to consider selling ASP land, legislation would likely be required to do so. She suggested to the Board would be that staff come back to the Board at their November meeting with information on the strengths and consequences of such a proposal and what it would take to get us there. The proposed schedule presented is too aggressive of a time line. Additionally, the agency's legislative proposals are due at the end of this month. She doesn't believe that the Board will have had time to consider this proposal in its entirety by then.

Mr. Armer asked if there isn't some BLM land involved with this.

Ms. Bahl responded that that would certainly be addressed in staff's report to the Board. She believes that the BLM land the agency has a lease on was not considered. It would probably require federal action.

Chairman Woodling noted that there seems to be some issues when talking about selling state land that the Board hasn't talked about before and would need to be looked at very closely. The Board probably cannot do very much until staff goes through the proposal and comes back with a report at the November Board meeting.

Ms. Bahl responded that that would need to be the direction from the Board. Staff have no presentation for the Board at this time.

Mr. Siquah asked, if it is possible to do so, that the Hopi be included in this discussion so that they can work with staff on this. They have a quite capable general counsel who knows a lot about land. He may be able to add to the proficiency of the group and help to come up with some answers.

Ms. Bahl responded that it would be possible for the Hopi to be included. Staff have had many very productive meetings with the Tribe and do have a very talented staff and they can certainly be utilized in this process.

Ms. Baier thanked the members of the Hopi Tribe for being present today for this meeting. She thanked them for developing and proposing what is a very constructive project. Many people come before the Board and present problems. The Tribe has come and presented a potential solution. She admires and appreciates that very much and looks forward to working with them to develop some answers. As the State Land Commissioner, she has a couple of jobs. From the Land Department's side, she would have to research other issues relative to the State Trust Land parcels rather than those that are owned in fee by the Board. The State Trust Land parcels may have to be treated differently because there are restrictions that are based in their Enabling Act in the Arizona State Constitution that may prohibit a couple of things she saw in the presentation. Granted, they are promoting changes to the Constitution, but they haven't been approved yet. The Constitution may prohibit us. She believes that the Constitution does prohibit the Land Dept. from selling their land and having an encumbrance on it, including anything pertaining to a conservation easement. That may not be something the Land Dept. would be able to do.

Ms. Baier added that, in terms of proceeds of the sale of the State Trust Lands, they are required to deposit those proceeds into a specific fund. She doesn't think they could contribute to any other fund absent a change in the Constitution. She felt, as State Land Commissioner, it was important for her to raise those points. They would be pleased to explore options with the Tribe. Again, she very much appreciates this constructive proposal.

Mr. Siquah extended his thanks to their General Counsel who was able to get everyone working together to come up with this proposal.

Mr. Colton thanked the Tribe for their presentation. He noted that legislative proposals are due from the agency by a certain date. He asked staff if it is possible that some kind of placeholder for possible legislation can be in place after that date.

Mr. Ziemann responded that he can let them know that this is in the wind and let them know that this is on the Board's radar.

Mr. Colton noted that there is a short-term proposal that the Board has not addressed. We don't know if the proposal Mr. Siquah made of shutting the park during the

winter season and restoring it to being open five days a week starting February 1 while still maintaining its personnel is a potential the Board can consider.

Ms. Bahl responded that the largest cost in the parks is personnel. Retaining the personnel and closing the park doesn't save money and doesn't help maintain the park system. If the Board were to close the park even for part of the year, which will be discussed in Item G.6., we would probably reduce the number of personnel in that park. Homolovi is unique and we wouldn't want to completely abandon it. She would not recommend keeping the same amount of staff at that park if it were closed.

Ms. Westerhausen asked what the Board needs to do on this issue today.

Chairman Woodling noted that this is not a Board Action Item. He believes that staff are already on board and willing to work with the Hopi Tribe on this.

Ms. Bahl responded that she heard the Board refer to staff to come up with a paper identifying the risks and consequences and opportunities of such a proposal. What staff have not proceeded with and will not proceed with is any action that would sell state parks' land. She does not believe that the Board has the information in front of them at this time to consider such a request at this time. Staff will work with the Hopi Nation to bring a position paper back to the Board.

Chairman Woodling thanked the members of the Hopi Tribe for coming here and presenting this proposal to the Board.

Chairman Woodling noted that there is a time certain of 12:15 p.m. for lunch. He stated that the former State Land Commissioner and former Board member, Mark Winkleman, is in the audience. The Board recognized him for his six years of service on the Board.

Chairman Woodling then moved to Agenda Item I.3.

I. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

3. Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas

a. Recognition Award(s)

Chairman Woodling thanked Mr. Winkleman and presented him with a service award from the Board and staff.

BREAK FOR LUNCH – TIME CERTAIN 12:15 P.M.

Chairman Woodling called for a Recess at 12:15 p.m.

Chairman Woodling Reconvened the meeting at 1:05 p.m.

G. BOARD ACTION ITEMS

2. Consider Adopting the *Arizona Trails 2010: A Statewide Motorized and Non-motorized Trails Plan*

Chairman Woodling stated that the Board is being asked to adopt the *Arizona Trails 2010: A Statewide Motorized and Non-motorized Trails Plan*.

Mr. Ream reported that this plan has been out for public comment and that public comment has been incorporated. Staff provided the Board with the Executive Summary of the plan prior to this meeting. The entire plan is quite hefty and is on the agency's website.

Mr. Ream stated this is the Arizona State Trails Plan. He provided the Board with some of the statistics contained in the Plan. He noted that the process was extensive and included a statewide phone survey, a targeted web survey, open web survey, public workshops, and surveys taken at trailheads. He reviewed the priorities set out by the plan. He noted that there are no distinctions among first-level priorities. All are equal. He discussed what the plan is and what the plan is not. Among other things, this plan guides how the agency uses trails funds.

Mr. Colton asked if staff received comments from ASCOT.

Mr. Ream responded that he believed everyone has commented.

Chairman Woodling noted that there was a gentleman here earlier who gave comment that signage was a low priority.

Mr. Ream responded that it would be a second-level priority. Being a second-tier priority, and depending on how many grant applications come in, that's how it would be handled.

Board Action

Mr. Armer: I move I move to adopt the *Arizona Trails 2010: A Statewide Motorized and Non-motorized Trails Plan*.

Ms. Westerhausen seconded the motion. The motion carried unanimously.

4. Consider Proposed FY 2010 State Parks User Fees

Mr. Ream reported that since 2003 ASP has been hit with a budget reduction. At that time, the Board was forced to make some park closures. At that time the Board did something that was drastic – they raised all fees by \$1. After someone questioned the agency's fee philosophy, one was created. That fee philosophy was brought before this Board last year. However, it is somewhat moot now because that philosophy was based on the Board getting General Fund money to support the parks and offset some of the operations issues.

Mr. Ream stated that this year staff were challenged by not having General Fund money. The Board was provided a list of fee recommendations in their packets that represents nearly a 50% increase in day use fees across-the-board. They are some of the highest in the Western states; currently only Utah is higher than Arizona. The total potential is about \$750,000 if we were to have a full year of these fees in effect.

Mr. Ream noted that this is a public process. Today, staff are asking only for the authority to hold public hearings on these fees and to get public comments. He reviewed the fees with the Board. He noted that staff are looking at raising the standard Annual Pass fee from \$50 to \$75. He expects that the most comments will come from eliminating the Premium Annual Pass fee that is mostly used at the Colorado River parks. Between 3,000 and 4,000 of these passes are sold just at Lake Havasu State Park. This pass allows unlimited access to the parking and boat launching facilities. We are the only boat launch ramp in the Lake Havasu area that has an annual

pass. Everyone else charges by the visit. Eliminating this pass will probably cause the most commotion.

Mr. Colton noted that California opted to close a number of their state parks. He asked if any of those parks are in the vicinity of our Colorado River parks.

Ms. Bahl responded that the California State Parks proposal will be made public next week.

Mr. Ream added that California has no state parks on the Colorado River.

Ms. Westerhausen questioned whether the \$715,000 was compared to what was earned the previous FY. She asked if it was the increase or the gross.

Mr. Ream responded that it would be the anticipated increase.

Chairman Woodling asked if staff looked at the effect of higher fees and reduction in attendance and was that calculated into the \$715,000 increase.

Mr. Ream responded affirmatively; particularly when it comes to the elimination of the Premium Annual Fee. We will lose a significant amount of money eliminating that pass, but will gain that amount of money back on getting individuals coming in.

Board Action

Mr. Colton: I move that staff proceed with public meetings to obtain public comment pertaining to proposed fee changes and come back to the Board with a proposal for consideration.

Ms. Baier seconded the motion. The motion carried unanimously.

5. Consider Approval of a Lease for the Operation of the Yuma Quartermaster Depot State Historic Park

Mr. Ream reported that he and the Executive Director had the opportunity visit Yuma in mid-June. They were able to see the Yuma Quartermaster Depot. The Yuma National Heritage Area is right next door to the Depot and it is an incredible transformation of the area over the years. They met with Mark Weston, the City Manager, and Kevin Eatherly, a former ASP staff member and now a program manager with the City, and discussed the Board's continued partnership in light of our current budget situation. The Board has been partners with them since 1997. The City of Yuma has provided \$150,000 every year for ASP to operate the Yuma Quartermaster Depot. Mr. Ream added that last year they held an election to continue this tax. It failed once and was passed again in May. They are also having budget issues, and talked to us about a partnership that would keep this park open for the next three years through a lease and IGA (InterGovernmental Agreement). The highlights of that lease are provided in the Board packet. Staff are working on the details; there are a few changes that need to be made. They have offered to sell the Board's products in their gift shop during their operation.

Mr. Ream added that this park would be operated as an open park. Currently visitation runs at about 11,000 visitors a year; the revenue has been around \$23,000 a year; and the operation costs are about \$260,000 per year. The City of Yuma plans to keep this park open as a welcome center, while still allowing people in the park. They are helping to fund a seasonal employee (an ASP Ranger) to give tours and provide an ASP presence

at the park. The Executive Director has asked him to preserve the name Yuma Quartermaster Depot State Historic Park. It will remain a state park during the time it is leased to the City of Yuma.

Chairman Woodling asked if the new person who will give tours also be assigned to the Yuma Territorial Prison.

Mr. Ream responded that staff's recommendation is to keep Yuma Territorial Prison open. It will remain open five days a week and, during the busy time of year, it will stay open seven days a week. Yuma Prison is a very popular park. He believes that both are great parks. It's just unfortunate that people don't visit the Depot. Hopefully, with the building out of the historic area, that will change. He believes that they have a great program going.

Mr. Armer stated that he believes that the benefit to both the Prison and the Quartermaster's Depot will be significant.

Chairman Woodling noted that Mr. Ream mentioned that there are still some issues with the lease. He asked what is being done today with those items outstanding.

Mr. Ream responded that, for example, under Section 1 – Purpose, the word, "possibility," has been added to the last sentence. These are the kinds of details we are now working on. The Board's counsel has looked over this document. One of the biggest issues is allowing staff 90 days to perform an inventory and audit. The important thing is that it will continue to stay open and will continue as a state park. It will just be managed by the City of Yuma.

Mr. Colton referred to page 49, Section 3, there is a typo in the date. Regarding their new hotel, he attended one of the first conferences to be held there. It was a delightful place. This property can be looked at as a holistic element and makes it a more viable conference center.

Board Action

Mr. Colton: I move that the Arizona State Parks Board authorize the Executive Director, or designee to enter into a lease with the City of Yuma for the operation of the Yuma Quartermaster Depot State Historic Park.

Ms. Baier seconded the motion.

Chairman Woodling noted there is a train there with three passenger cars and track. He asked if it goes anywhere

Mr. Ream responded that the train used to run tours up and down the spur line. Currently, the train is without funding.

Mr. Armer stated that he believes this is a win/ win situation for everyone. He noted that in the discussion it was stated it would be a three-year lease with two three-year options to renew. In the lease, it talks about two-year options.

Mr. Ream responded that staff wanted two-year options; the City wanted five-year options. We are at three-year options.

Chairman Woodling called for a vote on the motion on the floor. The motion carried unanimously.

6. Consider Operating Reductions to Park Operations Due to Reduced Budget

Ms. Bahl reported that the good news is that the Budget Reconciliation Bill (BRB) was enacted by the governor on August 21. The BRB gives the agency additional operating authorities to get the Board to the maximum \$19.3M that was discussed at the last Board meeting. The next step, which she is optimistic for, is that the Joint Legislative Budget Committee (JLBC) will approve the backfills and transfers. Staff got word late yesterday that ASP is on their agenda for September 22. Staff will continue to keep the Board posted. Staff hope for a favorable review. If we receive an unfavorable review, staff will return to the Board with a Plan B.

Ms. Bahl noted that even with the good news about the governor signing the BRB, we still have to make substantial reductions. Staff have been and continue to be very aggressive in trying to increase revenue. Some of the things we are doing today include investing our money differently, adjusting our user fees to increase revenue, and the action the Board just passed creating a new partnership that is also a cost offset. Yet we are still looking at \$1.5M needed in reductions. Knowing that it is more of a priority to keep parks open and operating, and with the authorities that she has as Executive Director, she has submitted a confidential package to the Department of Administration (DOA) reducing our Phoenix Office and statewide programs by \$1M. That means an additional \$400,000 worth of reductions in the field at the parks proper, and that is what the Board will discuss today. Staff have a recommendation on how to meet that cut and will do their best to describe what that will look like. The Board will give their direction and she will follow through appropriately.

Ms. Bahl stated that once the confidential package that she submitted is finalized and approved, she will let the Board and the public know what the agency will no longer do. It is very important that we manage the expectations because that type of cut will make the agency operate differently. Staff will not be able to do everything they are doing now. In the future, staff hope to add back what is appropriate at that time and continue to grow a strong park system.

Ms. Bahl noted that what staff focused on today in terms of park operations is affecting the least number of our visitors, minimizing our revenue loss, and having the assumption that in the future all of our parks will be open and operating again. Staff are making no recommendations that will substantially change the park system; we just might not be able to operate everything.

Ms. Bahl added that staff also took a look at all of the parks, even some that had been closed a couple of days a week, and some that have not. Staff really took a hard look at whether the balances were right. In some cases, the Board may see an increase in operating hours or operating days per week at some parks while reducing them at others. That is all part of the big picture of not affecting our visitors as much as possible, but they will be affected.

Ms. Bahl noted that this is a big leap for staff out in the field as well as the public. We are trying things that have not been tried before. She told the Board that it may not work. Staff may be back in nine months saying the shift is not working; it is not feasible; it's not a good service to our customers. However, staff are committed to making this work and continue to make this the best parks system that we can.

Ms. Bahl reported that staff reached out to our partners, mayors, and county supervisors and have overwhelming support. They understand that our parks, especially the rural parks, are so important to their local economies. They don't have any money now. They are in the same position the Board is in – cutting back. Yet they reached out and have offered us everything from loaning us equipment (equipment we could never afford to buy) to adding our garbage pick-up to their contracts. Both Payson and Camp Verde offered cash to help keep our seasonals to keep our parks open. That says a lot about the Board and the parks system they have put together. She is very grateful to them and hope that short-term really means short-term and that we can work together to continue to grow the system.

Ms. Bahl noted that the staff recommendation includes strategies such as shifting park staff throughout the park system for on- and off-peak use. We are reducing our campsites that are available during non-peak seasons; we are increasing the number of parks that operate under a five-day schedule; and, in some cases, we are changing parks to be open seven days per week. We are working with our partners to discuss off-set costs at our parks. We are managing our open space sites on a more on-call basis rather than regular presence. We are recommending closing some parts of our parks from public use. She noted those are the big picture items. These are hard times; we hope the Recession ends soon. She has confidence we will get through this. The fact that the partners stepped up is very encouraging, and we know they value us.

Mr. Armer asked, regarding going to five days rather than seven days, what those two lost days might be.

Mr. Ream responded that staff are working, for consistency's sake, to having the parks closed on Tuesdays and Wednesdays.

Mr. Ream distributed a Summary of this issue to the Board. He discussed how staff weighed their decisions regarding park reductions. He noted that staff would like to bring these parks back into the system full-time, seven days a week and operating as they were prior to the reductions. These reductions reduce the ramifications of what would happen if we walked away from these parks.

Mr. Ream noted that the Board have the changes at the parks before them. He began a discussion on the biggest changes. The Board does two thing at Boyce Thompson Arboretum: fund a Park Manager position as a result of the tripartite agreement and fund a portion of the utilities (\$30,000-\$40,000 per year). The Board would stop paying utilities and only provide a Park Manager at the park.

Mr. Ream reported that the recommendation regarding Ft. Verde has been changed and amended for keeping the park open. He provided the Board with a copy of their letter yesterday and staff's new recommendation that keeps the park open five days a week with all of the buildings open.

Mr. Ream reported that the recommendation regarding Homolovi will essentially make it a five-day-a week park operating as a day use park. By closing off the campsites the park becomes a day use park. It will save the Board money in two ways: eliminate the electrical and water expenses and all the park to be operated on a five-day-a-week basis.

Mr. Ream reported that the recommendation regarding Oracle would close the park to the park's public entrance. This park was opened just a few years ago to the public.

Prior to that it operated on a "by reservation only" for school groups. Some Special Events were held there. We would revert back to that old operation unless funding is found to bring staff back. It is important that agency presence is maintained there. Someone will live there. If funding is found for staffing, staff would come back to the Board for permission to reopen the park.

Ms. Westerhausen asked if "Special Event" means things like the wonderful Sunday afternoon concerts. She also asked if the Kannalley House would be closed, as well as the open areas around it.

Mr. Ream responded that Oracle has some opportunities that other parks don't have. The Arizona Trail runs through the park. It would continue to be accessible to trail users. Staff are talking about closing the front gates so access to the park through its entrance, parking area, group area, and the Kannalley House would be closed to the public except for Special Events. Those Special Events would be coordinated through the Friends of Oracle, which is the oldest friends group in the parks system, and with the limited staffing available from Catalina and Oracle State Parks.

Ms. Baier asked if there would be a charge for a Special Event.

Mr. Ream responded that a special event is something out of the ordinary. If the park is closed, anything that would open up the front gate would be considered a special event. There are a number of very successful events held at Oracle that benefit the Friends of Oracle. In February they offered \$4,000 to help hiring staffing to continue the educational programs. Fortunately, funding was available to keep the park open during the rest of the spring and those educational programs continued. Most of those programs are run by volunteers.

Ms. Bahl added that the Board needs to understand that, with the 30% vacancy rate that we have now and the additional \$400,000 in proposed reductions, there will not be as much staff. Whether it be Catalina or Picacho Peak, there will not be as many staff available to collect gate entry fees. We will work a lot with volunteers. Staff pursue that when possible. She does not want the Board thinking there will be more of a presence at any park; there will be less of a ranger presence; there will be less maintenance; and less overall state parks interaction with staff than in the past.

Mr. Colton noted that this is the way it will be for the immediate future. There needs to be a human tie that ties Catalina and Oracle together so that perhaps some of the volunteers at Catalina can help collect fees at Oracle.

Chairman Woodling asked if staff have been approached by the Town of Oracle or a representative of the Town to help raise money or put in some money to repair the Kannally House. He asked if there will be anything going on in the house so that it can be opened.

Mr. Ream responded that having the house open could be part of a special event.

Mr. Ream reported that the recommendation for San Rafael includes eliminating staff presence. There have been discussions with Homeland Security for them to perhaps bivouac at the residence there to give a day presence there. There would be a ranger living there that would commute to Patagonia Lake State Park or Kartchner Caverns State Park.

Mr. Colton noted that he is very concerned about San Rafael and the ranch house. It is isolated and has been broken into in the past. It is important to get that security that Homeland Security would provide in place.

Mr. Armer responded that it is amazing what having border patrols through the area have on people traveling through there.

Ms. Westerhausen asked how one builds a strong volunteer base or a strong volunteer base for a park that's not even open.

Mr. Colton noted that there's a strong historic base there and a community there that's tied to the park. It is an important area. There is history in that area. He believes there would be a volunteer base from as far away as Tucson.

Mr. Ream responded that there has been a successful volunteer program there; there are a lot of people who love that ranch.

Chairman Woodling noted that there are very active ranchers in that valley. He believes that they would be available if staff went down there and met with a group of them at one of the ranch houses and perhaps they would be willing to check up on the ranch. He's sure they would want to keep that historic property safe.

Ms. Baier noted that she travels in that part of the state quite a bit. There is a cattle growers association in the area. It might be worth calling them. There is also a Cow Belles group down there that is active and this might just be the thing for them.

Mr. Ream reported that the recommendation for Tonto is a bright spot. Tonto is currently operating under a special agreement with the Town of Payson for funding for seasonals to keep the park open on weekends. The first phase of lodge construction is scheduled to end in early November. The recommendation is to bring that park back up to operating five days a week. Staff plan to continue that through the end of the FY.

Mr. Ream reported that the recommendation for the Yuma Quartermaster's Depot is to enter into an agreement with the City of Yuma (as presented earlier in the day).

Mr. Ream stated those were the highlights of staff's recommendation to the Board.

Chairman Woodling noted that at quite a few of the parks there is a notation that say campgrounds will be operated to meet seasonal demands. He asked what that means.

Mr. Ream responded that staff have defined seasons at every park. Portions of the parks will be closed off during off-seasons. Not all of the amenities the park can offer will be offered. However access and major amenities of the park will be offered.

Mr. Colton questioned the recommendation for Sonoita Creek.

Mr. Ream responded that Sonoita Creek State Natural Area is a unit of the Patagonia Lake State Park. There are three full time employees assigned to the Sonoita Creek State Natural Area under the Manager at Patagonia Lake State Park. Our presence along Sonoita Creek would be reduced. We do not have, and cannot afford, the seasonal staffing to operate Patagonia Lake State Park. The Sonoita Creek unit ranger staff will be used to offset our losses at Patagonia Lake. However, the main entrance to Sonoita Creek and the main entrance to Patagonia Lake are one and the same. The Visitor Center is where people will register to hike the area. It would remain open on weekends.

Chairman Woodling asked if the cattle trespass issue has been resolved.

Mr. Ream responded that good fences make good neighbors. Staff are continuing with the fencing program.

Mr. Armer noted that the Board today has heard from any number of people – from Tonto, Camp Verde, Tubac, Oracle, Yuma, etc. In a couple of instances there are firm commitments from those entities to work with the Board and help the Board out. In other instances, there was simply a desire on their part to do whatever they could. He assumes that any action the Board takes, the staff will consider those ongoing negotiations with all of these people. Should something happen that allows the park to re-open on a full-time basis, staff should understand that they don't have to come back to the Board for approval to go back and re-open the park. He asked if that is a fair assumption.

Ms. Bahl responded that it is. She also stated that she would apply the rule of reasonability. If the change appears to be significant, she would bring it back, even if it were a conference call to the Board. She noted that staff continue to work with the legislature for additional resources.

Ms. Westerhausen noted that she received an E-mail this morning from a Senator who is in Oracle's district. She asked if Oracle is the only park slated to close.

Mr. Ream responded affirmatively, with the exception of the parks that are remaining closed (McFarland, Jerome).

Chairman Woodling noted that it is his understanding that the house at Oracle needs a lot of work – cleaning, fixing dry rot, and other things. He asked if there is any money set aside to work on that house while it's not being used.

Mr. Ream responded that there is nothing specifically set aside for the house. Money is set aside every year for multi-park use. Staff can certainly take a look at those funds and see if there is money available.

Mr. Colton asked if there is anything at Oracle that could be done by qualified volunteers.

Mr. Ream responded affirmatively and noted that they would require supervision.

Mr. Colton asked, regarding the comments made about Red Rock during public comment, if moving to five days a week still makes sense.

Mr. Ream responded that Red Rock State Park peaks in October, falls off through December and does not come back up until February. He believes the plan to go to five days a week follows that trend.

Chairman Woodling noted that he went through this document pretty thoroughly. He thinks staff have done a marvelous job, given the circumstances, meeting the needs of the people of Arizona. He believes it is very comprehensive. He hates to see these reductions, but something must be done. He believes that staff have done it with the least impact.

Mr. Ream thanked the Board, Executive Staff, and his Operations staff for all the work they put into it, especially the Chief of Operations, Ms. Hawks.

Board Action

Mr. Armer: I move that the Arizona State Parks Board approve the park operating reductions as proposed; that the Board authorize the Executive Director, or designee, to enter into, amend, and withdraw from operating agreements in order to offset or reduce costs, or enhance revenues; and that the Board support the Executive Director to make operational changes throughout the year to meet expectations of visitors within the confines of the FY 2010 operational budget, subject to changes at Ft. Verde recently presented to the Board.

Ms. Baier seconded the motion.

Mr. Colton stated this is clearly difficult for everyone on the Board as well as staff. Staff have done an incredible job under these circumstances. He hopes that the Board are being as flexible as they can be. He has shared his concerns about some of the parks. All in all and under the circumstances this motion creates the best situation possible. He is supportive of the motion and truly hopes the Board does not have to do this again.

Mr. Armer asked those support groups who are here today, to please continue their efforts with the Board's staff. This is an ongoing process. It is not going to get any better in the next year. Everyone needs to continue working with each other. Any resources, whether human or financial, would certainly help the Board help them.

Ms. Westerhausen added that the Board has been focusing on the approximately \$400,000 that the Board can deal with regarding operations. What the Board has not had to deal with is the \$1M cut that the agency has had to deal with through Reductions In Force, which means that people who love state parks and take care of state parks are losing their jobs. As hard as it is today for the Board to have to make decisions about hours and days for park operations, she cannot imagine how hard it will be for staff to make decisions about people who work at ASP every day.

Chairman Woodling stated his concern is the legislature. He believes that there are real gaps in understanding on how our budget works. He is concerned that they will get the idea that they can just keep cutting and cutting ASP by looking at what the Board did today and give the Board money less money next year. He is very concerned that this particular agency is treated as a stepchild and that they will look at today's cuts and the cuts in the Phoenix Office and say the Board can get along with even less.

Ms. Baier added that the legislators need to hear from the people in the community that it matters to them that the parks are there, both from a quality of life and an economic standpoint. We need to be proactive and decide how to influence the greatest number of people to correspond with their legislators. She noted that Mr. Ziemann and she were at the Governor's Cabinet Meeting yesterday, and the governor asked each agency that has a budget for a budget that has at least 15% in reductions and 20% in reductions. Some legislators have asked agencies for budgets that include 25% in budget cuts. This is what they are anticipating. They are anticipating another shortfall of \$1.2B to \$1.5B. The Board needs to be realistic about what is coming.

Chairman Woodling called for a vote on the motion on the floor.

The motion carried unanimously.

Chairman Woodling thanked the public who remained throughout the meeting.

H. REPORTS AND PRESENTATIONS

2. Morrison Institute Study Update

Mr. Ziemann reported that the Board members should have received a draft copy of the Morrison Report earlier this week. The Morrison Institute would appreciate if the Board members would go through the report and send their comments to them. He has reviewed the Report once and has found some things in error and some things that need to be changed / addressed. He encouraged the Board members to send their input to the Morrison Institute or to him and he will forward them on to the Morrison Institute.

Mr. Armer noted he is about 2/3 of the way through the report. He noted that they agreed to take input through next week. He noted that there are some good suggestions of what the Board may or may not do. He noted that there are some errors in the document.

Ms. Westerhausen questioned whether or not she could provide the other Board members with her comments to the Morrison Institute. After discussion, Ms. Hachtel stated that her advice would be to make sure there's not any type of Board discussion on this through E-mail. It will eventually come before the Board for discussion at a public meeting.

Ms. Baier noted that discussion could include correspondence, which means communication, which means those written and verbal communication. A reply from a Board member to another Board member could actually be discussion.

3. Update on Governor's Sustainable State Parks Task Force

Mr. Ziemann reported there were two Executive Orders that the current and previous governors signed. The Task Force will meet September 15th at Kartchner Caverns State Park. They are well on their way in their work. Grady Gammage, who leads the Morrison Institute's report, also sits on the task force. He has been forwarding the task force some of the data from the Morrison Institute's report. It is the job of the Task Force to take the information and ultimately make a recommendation to the governor. Staff are assisting by providing factual information on a variety of things to help the Task Force meld this mass of information down to a manageable number of recommendations for implementation. Their deadline is October 31. He anticipates Mr. Dozer, Chairman of the Task Force, will attend the next Board meeting to review their recommendations with the Board.

4. Legislative Update

Mr. Ziemann reported that last Friday the governor signed and selectively vetoed the latest iteration of the FY 10 budget. Fortunately, she signed the Environmental Reconciliation Bill that literally kept us afloat.

Mr. Ziemann noted that, as Ms. Baier mentioned earlier, the Governor's Office is looking at a number of cuts. The legislature is looking at more cuts yet to come. Staff

hope that the Board is insulated to some degree in that very fact that ASP receives no General Funds.

Mr. Ziemann added that they are expecting an additional \$1.2-\$1.5 billion dollar shortfall in this fiscal year. They are talking \$3-\$4 billion dollars in Fiscal Year 11 when there is no more stimulous money left. The state budget continues to look rather bleak. They are already talking about Special Sessions to address the budget by the end of the month.

Mr. Ziemann noted that the JLBC will meet on September 22 to consider our backfill requests.

5. Update on Park Construction Projects

Ms. Bahl noted that this will be a regular item on future agendas.

Mr. Ream reported on the Buckskin lift station that needs to be replaced. If it fails, the park is closed. Construction begins beginning of October and will be completed in December.

Mr. Ream reported that staff need to stabilize Jerome. Design will begin in October and construction will begin as soon as possible. The end date could be as long as 18 months.

Mr. Ream reported that the lift station project at Lost Dutchman was under way in early January. Staff went out to bid three times and could not afford any of the bids. It is a new lift station scheduled to be completed next month.

Mr. Ream reported that the Lost Dutchman restroom buildings program is in design.

Mr. Ream reported that substantial completion of the project at McFarland should be complete within the next couple of days or weeks.

Mr. Ream reported that the River Island project is new and was added recently. To replace the roof will cost approximately \$25,000. (Staff plan to replace the entire restroom). Heritage Funds will be used to complete this project.

Mr. Ream reported that a wastewater treatment plant is being constructed at Slide Rock. It is unique in that it recycles the water, treats it to a tertiary level, holds it, and then uses it to continue to flush the toilet. When it's clean, it's sent back to the toilet. This water can be used to irrigate the orchards. It was designed specifically for this site. It will be the main restroom for the park.

Chairman Woodling asked the status of the Sedona Fire Department's request several years ago to place a station at Slide Rock.

Mr. Ream responded that because Slide Rock was built with Land and Water Conservation Fund money, the Board could not give them permission to build a fire station on it. They ended up extending their lease.

Mr. Ream reported that renovations continue at Tonto. Completion date is October 16. After completion of the project, the Board needs to approve reopening the park and then it will be open 5 days a week. Phase 2 will be interior work.

Ms. Westerhausen noted that these projects look like stimulus programs. She asked if ASP applied for or is eligible to received stimulus money.

Mr. Ream responded that the federal stimulus money specifically excluded parks.

Ms. Hachtel requested to return to the question Ms. Westerhausen asked regarding sharing her comments to the Morrison Institute with the other Board members. For compliance with Open Law purposes and public record purposes, she requested that each Board member provide their comments to the Morrison Institute to Mr. Ziemann to keep track of and to provide to the Morrison Institute.

4. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

- 1. The Board will participate in a Strategic Planning Session on October 29, 2009 at a place to be determined**

Staff will try to secure the conference room at Picacho Peak State Park for this meeting.

- 2. Staff recommends that the next meeting be held open November 13, 2009 at the Carnegie Library Auditorium**
- 3. Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas**

Ms. Bahl reported that there will certainly be an update item in response to the Hopi proposal for Homolovi. There may be an item on the Recreational Trails program depending on how things shape up there. This is also the meeting where the advisory committees come and talk about what they do and their accomplishments.

Mr. Armer noted that, with as much as the staff have going on with the Board actions taken today, staff have a full plate for several weeks. Given the complexity and the legal issues on the Hopi proposal, he suggested that this not be a priority at this juncture. That issue won't go anywhere for a long time anyhow, assuming it goes anywhere at all. He would not spend a lot of staff time trying to resolve everything related to it now.

Chairman Woodling noted that there is a problem there with vandalism and other issues. He has a feeling for the native tribes and their cultures. He believes it is something the Board really needs to look at. They came to us and they want to work with us and take over more and more of that park. He doesn't want it on a back burner for 6 months or a year.

Ms. Baier stated that the only thing that would make her want to think about it is that it could possibly be revenue. The revenue paradigm they raised was not clear to her. It might be worth ferreting out whether there's a potential for immediate revenue to parks before we decide what a time line might be.

Mr. Ziemann added that another issue that brings some immediacy to the problem is the legislative deadlines that are rapidly approaching. If the Board pursues this there will need to be legislative action. If we're going to do that in 2010 then there are deadlines approaching.

Chairman Woodling referred back to the Board's Mission Statement that says to manage and conserve Arizona's natural resources. That's our primary mission. These are very important resources for the state of Arizona and the Hopi Nation.

Mr. Armer made a motion for the Board to go into Executive Session. Ms. Baier seconded the motion. The Board went into Executive Session at 3:25 p.m.

- C. EXECUTIVE SESSION** - Upon a public majority vote, the Board may hold an Executive Session, which is not open to the public for the following purposes:
- 1. To discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03.A.3.**
 - a. Vertes/Mead Property, Spur Cross Conservation Area, Maricopa County Parks, easement litigation**

Chairman Woodling reconvened the meeting 3:58 p.m.

J. ADJOURNMENT

Mr. Armer made a motion to adjourn. Ms. Baier seconded the motion and the Chairman Adjourned the meeting at 3:59 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602) 364-0632; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

APPROVED:

REESE WOODLING, CHAIRMAN

RENEE E. BAHL, EXECUTIVE DIRECTOR